



“Consumer attitude towards Purchasing of Luxury Goods”

Indu Kumari,

Assistant Professor ,

H.O.D, Dept. of Economics,

B.N.College, T.M.B.U,Bhagalpur,, Bihar

India.

Abstract

This study is based on the consumers' behaviour towards the retail marketing in the city of Bhagalpur. The consumer wish to purchase necessary goods and luxury goods with their income level that is affected their attitude to buy the product according to their needs and comfort. The different income level consumers have different attitude to purchase goods which provided them maximum satisfaction. This study shows that every income level consumers prefer to purchase luxury goods as per their requirements. What to buy and when to buy the product influenced by the retailers marketing strategies. This study is conducted on the area of Bhagalpur city and 200 samples have collected by the primary sources through the questionnaire for finding the consumers attitudes towards what and when to purchasing of these goods. The hypothesis has framed to fulfil the requirement of research and it has tested by SPSS technique. High income level, medium income level, and low-income level shall be used as independent variable luxury goods will be used as dependent variable.

This study has been tried to find out the association between consumers income level with their purchasing attitude that are affected by their needs.

Key Words: Consumer attitude, necessary goods, luxury goods, preference.

Introduction

Consumers behaviour means mannerisms or action by which consumers satisfy their wants with given resources. Consumers' satisfaction is deriving from purchasing power and availability of goods and services. Consumer behavior also includes the post-purchase stage because their experiences motivate them to purchase goods so that the demand creates its supply. It is matter of study to understand Consumer behavior which influences retail market of Bhagalpur city. Business men must know consumers behavior to adopted right strategies for their retail business.

To understand consumer behavior, they have to know what, where, how and when consumers bought something. They also need to know what trends are developing in our society and how consumers behaviour influenced formal and informal retail market because as we know modernization and globalization impact everywhere.

Today consumer is the king of the market doesn't matter who is he/she, example our kids .This study is helpful for the suppliers of Bhagalpur and it is helpful for future plan for marketing because frame/structure (formal and informal) of retail market is changing in our city as we have experiences there are retail shops in diverse range of type and in different context from strip shopping center, daily market in local area to big shopping malls.

Review of literature

Christopher (1989) studied consumer's shopping habits derive the idea of store concepts, product ranges and strategies of companies are sufficient for consumers requirement. As we know, consumer's behavior is a psychological phenomenal so that it is difficult to learn their behavior and he was trying understand their expenditure habits with limited recourses on consumable goods. As per Peter and Olsonetc ,2005, advertisement,price,product appearance, packing experiences of others, purchasing habits .These factors are influencing consumer's before and after purchasing. (Schiffiman and Kanuk, 1997)

Thompson and Chen (1998) written that consumers self concept, personal value, taste also influence price, quality, and reputation which motivate retail business.

Erden and Oumlil &Tuncalp (1999), has written retailers strategies were adopted for marketing to satisfying consumers wants. He has studied that the supportive behavior of shoppers enhances their retail business also consumer influence by the store image.

According to Acebron et al(2000) he studied that consumers buying behavior has influenced by previous experiences. He has studied relationship between the habits and previous experience on the consumer buying decision. Product image also influence consumption habits, so it should be improved to attract their purchasing.

Paulins and Geistfeld (2003), He wrote that consumer perceptions of retail store attribute has tested to find out it's impact on store preference He has written there were four factors like type of clothing desire in stock, outside store appearance, shopping hours, and advertising. As he workout that consumers age and their educational stander responsible for their changing perception of store attribute.

Lee(2005),studied about the factors which affect five stages of consumers decision making process with an example of China. He had written demographic condition like family size, gender, education level, income and marital status influences purchasing of imported health food product.

Carpenter and Moor (2006), He has studied about the importance of consumes for making grocery retail formats choice in USA and retail patronage behaviour were highly beneficial for grocery retailers because it expanded their size.

Korgaonkar and silverblatt(2006) has worked on consumer online patronage influenced by product category and online store type. He found that consumer's online patronage was different with respect to product type and interaction effects of the online store.

As per Meldrum and McDonald,(2007) ,successful marketing or business depends upon awareness of the products or services in terms of both price and preference.

According to Variawa (2010), He find that retail shopping of low-income level consumers has influenced by packaging of product. He has proved that low income consumer has grater experience of branded product through premium compare to cheaper brand product.

According to East et al,(2013) ,four major type of pricing strategies consist of economy ,penetration, skimming, and premium pricing strategies.

Objectives of the study

Presently we experience that the structure of retail business of Bhagalpur city has been changing fastly due to cope up with changing attitude or we can say behavior of consumers. This study poses the following objective which is as follows: -

1. To understand the attitude of consumers behaviors towards the retail market of luxury goods in Bhagalpur city i.e. (what to buy, when to buy)
2. To analysis the consumers attitude which influences the retails of luxury goods.

Hypotheses of the study

The following are the hypothesis formulated in the light of the above said objective of the study.

1. The attitude of consumers toward retail market for purchasing luxury goods would be as per their need .

Research Methodology

The sample survey method will have been used for this study. The primary data will be collected from different income level consumers who visit Reliance trends, Vishal Mega Mart,Pantaloon,V Mart, City Mart,V2,Fbb, 1-India, daily market, local market, verity chowak market by direct personal interviews and questionnaires. This study the sample has collected by convenience sampling process by direct investigation and Secondary data will be collected by report, mazine,news paper,journals,research study, government publications, professional publications, research organizations and websites. A survey method conducted to understand consumers behaviour towards purchasing on account of their income levels, regarding products quality and location. To understand the effect of dependent variable that is formal retail market and informal retail market, product quality (type of goods) on the independent variable namely consumers income level (low, medium and high income) correlation and analysis of variance will be used. Formal retail market and informal dated market as well as price of the commodity and quantity of the product are correlated to Income as independent variable.

Sample

Here I will be use 200 consumers from different income level and sample random sampling from will be taking from formal retail market and informal retail market. As the time and resources is major constraint the study will be restricted to size of sample.

Tools and techniques

This study shall be based on primary sources of information with the help of questionnaire / schedule the questionnaire/schedule should be prepared under the supervision of supervisor. . SPSS technique has used for the interpretation of data.

Design-

The present study has design to study to examine the impact of income level over consumers' behaviour towards retail market structure (formal retail market and informal retail market) of Bhagalpur city and how far changing income level effect consumers' behaviour which influence retail market of Bhagalpur city.

Result and Discussion

There are three statement has taken to analyse the consumer attitude towards the retail market of luxury goods. Each statement has been analysis on five point likert scale from strongly disagree with score 1 to strongly agree with score 5 and cross table analysis has used and chi-square test used by SPSS for the significant of hypothesis.

Table: 1, I buy luxury goods to increase my efficiency and comfort. * Monthly income Crosstabulation

Statement	scale	Monthly income				Total
		Below 30,000	30,000-60,000	60,000-90,000	more than 90,000	
I buy luxury goods to increase my efficiency and comfort.	strongly disagree	4%	1.3%	0	0	2%
	disagree	14%	6.7%	0	4%	8%
	Nither Agree nor Disagree	10%	12%	0	11%	9.5%
	agree	52%	66.7%	82%	50%	61.5%
	Strongly Agree	20%	13.3%	18%	35%	19%
Total		100%	100%	100%	100%	100%

Sources: Primary data

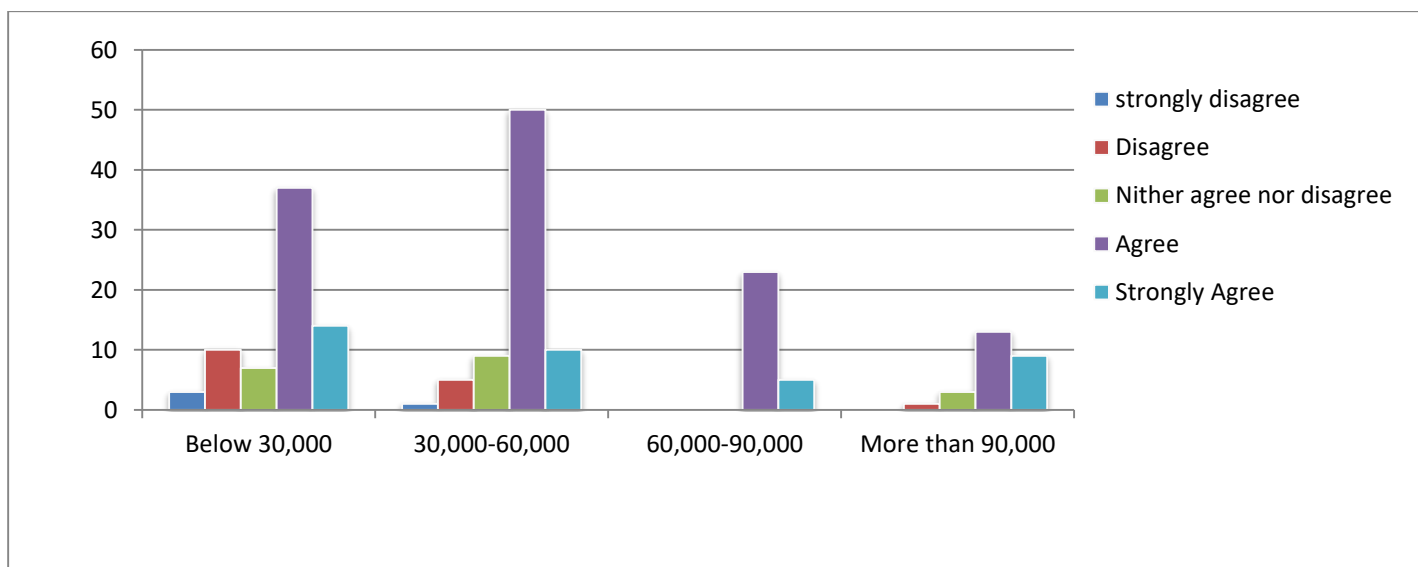


Figure: 1, I buy luxury goods to increase my efficiency and comfort.

The table 1, and figure 1 represent that respondents belongs to below 30,000 having 4% strongly disagree, 14% disagree, 10% Neutral, 52% agree, 20% strongly agree. As compared to respondents belongs to 60,000-90,000 monthly income group, 82% consumers are agree and 18 % are strongly agree with the above statement, 35% respondents of more than 90,000 monthly income groups are strongly agree with this statement which is highest among the different income level under this point scale. It shows that the attitudes of higher income group consumers are stronger towards uses of luxury goods as compared to low income groups

Table: 2, prefer to buy luxury goods on festival. * Monthly income Crosstabulation

Statement	scale	Monthly income				Total
		Below 30,000	30,000-60,000	60,000-90,000	more than 90,000	
I prefer to buy luxury goods on festival.	strongly disagree	2.9%	2.7%	3.6%	7.7%	3.5%
	disagree	22.5%	33.3%	39.3%	15.4%	28%
	Neither Agree nor Disagree	19.8%	28%	25%	26.9%	24.5%
	agree	49.2%	28%	25%	38.4%	36.5%
	Strongly Agree	5.6%	8%	7.1%	11.6%	7.5%
Total		100%	100%	100%	100%	100%

Sources : Primary Data

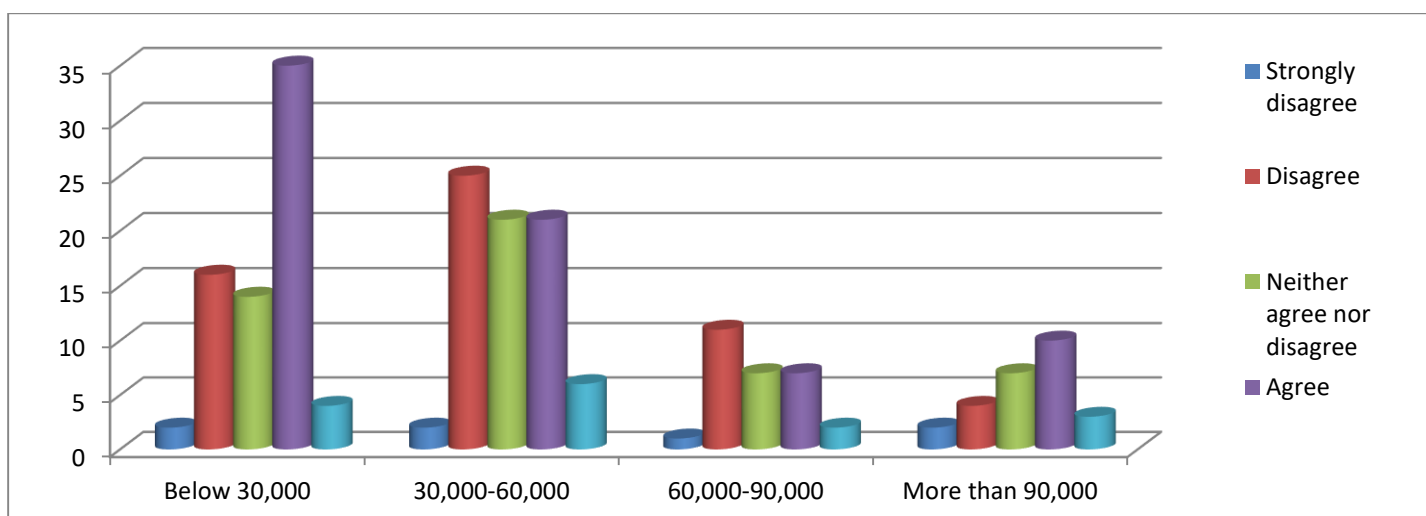


Figure: 2, I prefer to buy luxury goods on festival.

Table no.2 and figure 2, represents the preference of the consumers to the above statement. From 200 respondents, 7.5 % are strongly agree and 36.5 % respondents are agree, 24.5% are neutral ,28% disagree,3.5 % consumers are strongly disagree. It has observed from below 30,000 monthly income group that the percentage of favorable score (strongly agree+ agree) is greater than unfavorable score (strongly disagree+ disagree). Similarly found in 30,000-60,000 and more than 90,000 monthly income levels but in 60,000-90,000 income group unfavorable score is greater than favorable score.

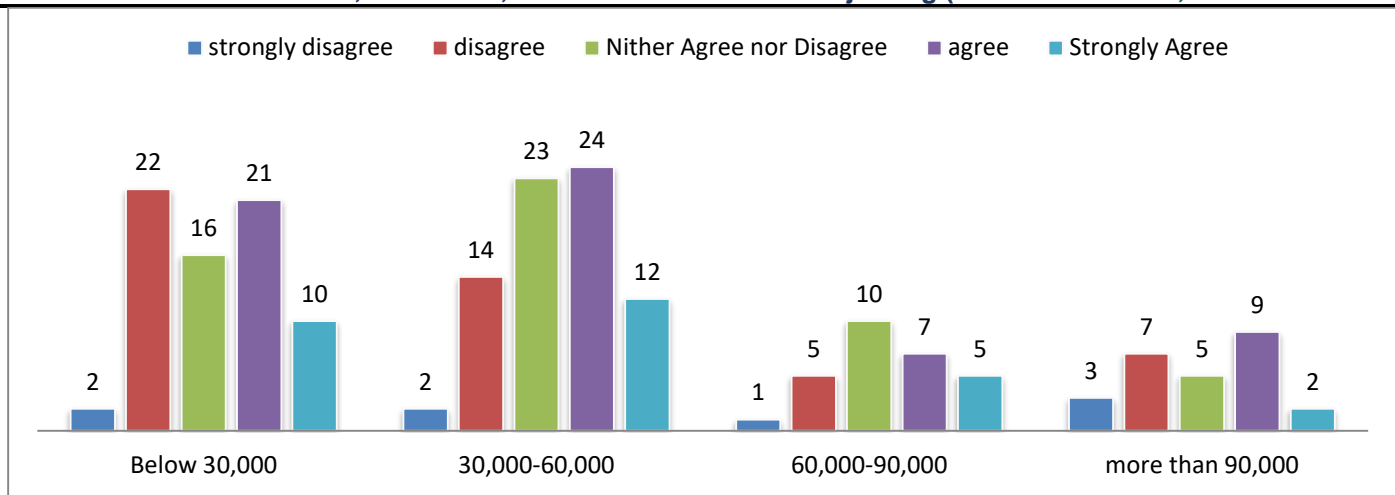


Figure: 3 I prefer to buy luxury goods on off season sale.

Figure 3, shows the cross tabulation analysis to establish the relationship between the statements “I prefer to buy luxury goods on off season sale” and monthly income of consumes. Out of 200 respondents, 4% are strongly disagree, 24% consumers are disagree with the above statement, 27% of the respondents neither agree nor disagree, 30% among the responders are agree and 14 % are strongly agree with the given statement. From all income group (Below 30,000 income group, 30,000-60,000, 60,000-90,000, more than 90,000) having more favorable responses (agree + strongly agree) rather than unfavorable responses (strongly disagree + disagree). It means consumer like to buy luxury goods on off season sale.

Conclusion:-

The attitude of consumer behavior towards retail of luxury goods in the city of Bhagalpur has significantly influenced by the consumer’s needs and their awareness regarding marketing. The consumers have made their purchasing of luxury goods to increase their efficiency and comfort. Among the different income group it has noticed that comfort and efficiency of luxury goods have significant impact on the buyers’ of different income group. Higher income groups’ consumers have more influenced by the utility or quality of luxury goods. The retailer’s who have been selling luxurious goods must be careful regarding the product efficiency and comfortability to grip the consumer. The awareness of consumers for changing marketing strategies makes them more rational while purchasing luxury goods. Off season sale impact the buying of luxury goods. It comes in light that the purchasing of luxury good preferred by the all income group on off season sale. The retailers of these goods must be organise off season sale to motivate the buyers for further purchasing.

Festival season in Bhagalpur is very rush season for both consumers as well as retailers. Festival season has made impact on the purchasing of luxury goods. This study found that the low income groups’ consumers have liked to purchase luxury goods on festival season but purchasing of higher income groups should not wait for discount as their income elasticity is less than 1. The retailer’s may be provide discount on luxury goods during festival so the low income groups people take opportunity to purchase these goods to meet their needs. The consumer should be rational and aware regarding their purchasing.

References

- 1) Keith E. Thompson , Yat Ling Chen, (1998) "Retail store image: a means-end approach",Journal of Marketing Practice: Applied Marketing Science, Vol. 4 Iss: 6, pp.161– 173
- 2.) V. Ann Paulins, Loren V. Geistfeld, (2003) "The effect of consumer perceptions of store attributes on apparel store preference",Journal of Fashion Marketing and Management,Vol. 7 Iss: 4, pp.371– 385
- 3.)Pradeep Korgaonkar, Ronnie Silverblatt, Tulay Girard, (2006) "Online retailing, product classifications, and consumer preferences", Internet Research, Vol. 16 Iss: 3, pp.267 – 288
- .4). Jason M. Carpenter, Marguerite Moore, (2006) "Consumer demographics, store attributes, and retail format choice in the US grocery market",
- 5.)Schiffman, L., Hansen H. and Kanuk L. (2007) "Consumer Behaviour: A European Outlook", London: Pearson Education
- 6.)Meldrum, M. & McDonald, M. (2007) "Marketing in a Nutshell: Key Concepts for Non-Specialists" Butterworth-Heinemann
- 7)Variawa,Ebrahim (2010) "Buying Behaviour and Decision –Making Criteria of Base of the Pyramid Consumer :The Influence of Packaging on Fast moving Consumer goods Customers, Brand Experience ",GIBS.
- 8) Hawkins and Motherbaugh " Consumer Behaviour Building Marketing Strategy".
- 9) Kazim, S.H.H &Batra ,Satish "Consumer Behaviour :Text and Cases".
- 10) Bhat, Harish "The Curious Marketer: Expenditure in Branding and Consumer Behaviour" Acebron,L.B.,Mangin,J.-P.L.,& Dopico,D.C.(2000),"a proposal of thebuying model for fresh food products:The case of fresh mussels ", Journal of International Food and Agribusiness Marketing ,Vol.11 no. 3, pp 75-96.
- 11) Orhan Erden,A.Ben Oumlil,Secil Tuncalp, (1999)"Consumer values and the importance of store attributes",International Journal of retail & Distribution Management,Vol.27 Issue:4,pp.137-144.<https://emeraldinsight.com>